

MEMO

To: Jim Fisher  
From: Dave Ahl  
Subj: Death of *Atari Explorer*

**Office Lease**

Ninety days written notice must be given to the landlord for termination of the lease on our space at 7 Hilltop Road. As the lease is written on a calendar month basis, Atari is obligated to pay rent for April, May and June. This will come to approximately \$3000. The amount is approximate because there is a small variable amount for utilities (which will, of course, be minimal).

**Unpaid Bills**

There are two major unpaid bills. The first is from Mack Printing Co. and is for the most recent issue of the magazine. We don't have it yet, but it will probably be for about \$33,000.

The other bill--\$12,500--dates back to September 1989 and is from SBI Publisher Services for editorial, artwork, and pre-press preparation for *Atarian* magazine. This was approved for payment ages ago, but we never had enough money in our account to pay it. I believe I can work a trade some of our computer systems and office equipment against some or all of this bill.

**Office Furnishings**

Our office has a conglomeration of furnishings (desks, file cabinets, tables, shelves, copier, telephone switcher), some of which are owned by Atari, some by me, and some of which are on loan from other small businesses.

If you want someone from Sunnyvale to come and pack up, fine. Alternatively, we could hire some people around here to do it. Either way, it should wait until Betsy returns from Europe--April 5 or later--as she knows what belongs to whom better than anyone else.

**Computer Hardware and Software**

We have a number of ST and 8-bit systems, disk drives, printers, and game systems. I'll need some of these systems if you want me to work out a swap with SBI against their bill, but the rest I assume will be going back to Sunnyvale.

Normally after reviewing software packages, we give them to user groups to use as doorprizes at local shows. Since the shows have been slow lately, we have many packages on our shelves which, presumably, will be going to you along with the hardware.

**Magazine Back Issues**

We have a small stock of back issues of *Explorer* that we keep on hand for people who want a complete collection, for reference purposes, and to take or send to Atari user group shows. I assume you would like these shipped to Sunnyvale along with the office furnishings and computer hardware.

### **Obligation to Advertisers and Subscribers**

Ever since we took over *Explorer* in mid-1976, subscribers have received the magazine on a regular bi-monthly basis. Moreover, advertisers--who had a rather dismal view of the magazine while Atari was publishing it--have been pleased with the high-quality editorial content and regular publication schedule of the magazine, and have been more willing to give it a try. Bottom line: *Explorer* has a good reputation with both subscribers and advertisers--but it is somewhat fragile.

Given the fact that Atari Corp. has totally ignored its obligation to the subscribers of the now-defunct *Atarian* magazine, it is obvious that the company doesn't care much about its customers--even the most loyal ones.

However, if Atari expects to continue to be active in the computer market, I would strongly recommend two things:

1) Distribute the current (Spring) issue of *Explorer*. The honesty in the editorial and news sections would probably help the company because it is so unexpected. Furthermore, you have a legal obligation (enforced by USPS and FTC) to deliver an issue to subscribers not later than April 10.

While you may be able to screw the few thousand kids that subscribed to *Atarian*, *Explorer* subscribers are a bit more savvy and vocal as to their legal rights. Incidentally, you are subject to a fine of up to \$10,000 for each undelivered subscription. Just ask Joe Sugarman of JS&A what it cost him in time and money to fight off the FTC when it came after him on a similar charge.

Furthermore, many of the ads in the Spring issue were paid for in advance, and advertisers expected magazines to be in the hands of subscribers and on newsstands by now. These small companies are depending upon *Explorer* for their very survival. They don't want refund checks and they can't afford a three or four month delay before their ads appear.

2) Get your act together quickly, and get on a regular publication schedule. Advertisers aren't going to wait long before they look for alternative ways to reach Atari owners--or before they look to alternative markets altogether.

### **Subscriber List and Subscription Fulfillment**

Upon learning in late '89 that the subscription fulfillment house that we had been using for several years was in financial trouble (they recently went bankrupt), we evaluated other vendors and went with R&B Telefillment. They are a small firm willing to go out of their way to provide excellent service at a very economical price.

I recommend that you stay with them--it is not unusual to use a subscription fulfillment house at a distant location--for several reasons: 1) R&B has Visa and Mastercard accounts set up for *Explorer*, 2) all the new subscriber cards packed in the computer boxes have their address, 3) the renewal letters and notices have their address, and 4) they will give you good service. The contact person is Bill Baumann at (201) 361-9366.